

State of Alaska FY2010 Governor's Operating Budget

Department of Public Safety Alcoholic Beverage Control Board Component Budget Summary

Component: Alcoholic Beverage Control Board

Contribution to Department's Mission

Protect the public from alcoholic beverage abuse by enforcing state laws regulating alcoholic beverage commerce.

Core Services

- Regulate alcoholic beverage commerce.
- License qualified persons to sell alcoholic beverages.
- Provide accurate liquor license and licensee information to the public.
- Provide up-to-date local option status of Alaska communities to the public.
- Enforce state laws governing alcoholic beverage commerce.
- Assist and train municipal police and Alaska State Troopers in alcoholic beverage law enforcement.

End Result	Strategies to Achieve End Result
<p>A: Eliminate harm to the public from underage access to alcoholic beverages.</p> <p>Target #1: Attain a rate of 95% compliance by liquor licensees statewide with law prohibiting the sale of alcoholic beverages to persons less than 21 years of age</p> <p>Status #1: Compliance rate of alcoholic beverage sales to underage persons was 83% in FY2008</p>	<p>A1: Have ABC Board investigators and law enforcement conduct compliance checks statewide.</p> <p>Target #1: Conduct the following percentages of annual compliance checks for all areas of beverage dispensary, restaurant, club, and package store licensees on schedule: MOA-75%, FNSB-50%, CBJ-50%, SE-35%, MSB-50%, KPB-50%, R-ON-35%, R-OFF-25%</p> <p>Status #1: FY2008 targets for annual alcoholic beverage licensed establishments compliance checks were met in four of eight regions (50%)</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Increase deterrence for selling to young-looking persons. • Recruit, hire, and train ABC Investigators. Recruit and train underage "assets" for compliance checks. • Communicate regarding success or failure with compliance check. • Notice of violations for licensees failing compliance checks. 	<ul style="list-style-type: none"> • Criminal citation for clerks/servers selling to underage persons. • Follow-up checks timely for licensees that fail compliance check. • Accusations against serial failures of compliance checks. • Suspend liquor licenses and levy fines on licenses convicted of selling alcohol to underage persons and other related Title 4 violations.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$1,470,000

Personnel:

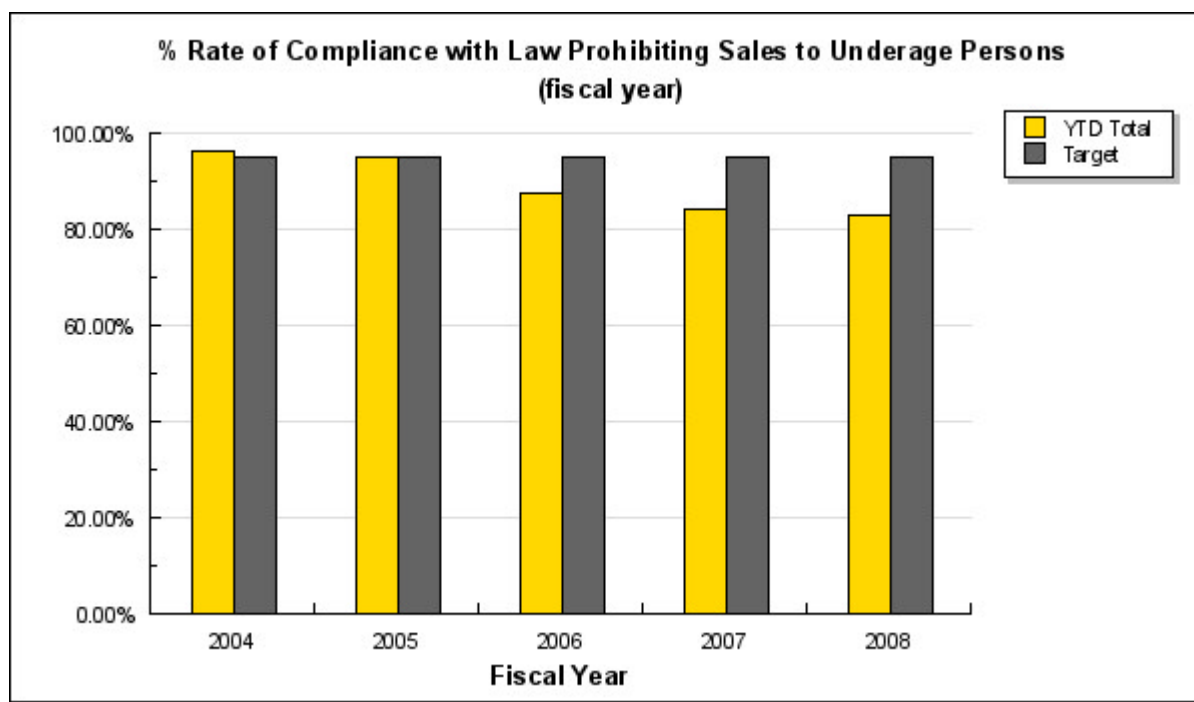
Full time	11
Part time	0
Total	11

Performance

A: Result - Eliminate harm to the public from underage access to alcoholic beverages.

Target #1: Attain a rate of 95% compliance by liquor licensees statewide with law prohibiting the sale of alcoholic beverages to persons less than 21 years of age

Status #1: Compliance rate of alcoholic beverage sales to underage persons was 83% in FY2008

**% Rate of Compliance with Law Prohibiting Sales to Underage Persons (fiscal year)**

Fiscal Year	YTD Total
FY 2008	83%
FY 2007	84.35%
FY 2006	87.56%
FY 2005	95%
FY 2004	96.28%

Analysis of results and challenges: In FY2008, the ABC Board conducted 554 underage compliance checks among beverage dispensary, restaurant, club, and package store licensees across Alaska. (Under supervision of an Alaska State Trooper, an underage person is sent onto liquor-licensed premises to test server/clerk on whether the sale of alcohol is made to someone who is obviously under the age of 21.) There were 93 sales, which is an 83%

compliance rate, 12% below the ABC Board target of 95%.

Funding for compliance checks is limited and restricts the ability of the program to check rural parts of the state due to the expense of time and travel to check the relatively few licenses located in outlying areas. As staff continues the compliance check program, it is hoped that the failure rate will decline due to increased care and diligence on behalf of licensees and their employees to refuse alcohol service to underage persons.

A1: Strategy - Have ABC Board investigators and law enforcement conduct compliance checks statewide.

Target #1: Conduct the following percentages of annual compliance checks for all areas of beverage dispensary, restaurant, club, and package store licensees on schedule: MOA-75%, FNSB-50%, CBJ-50%, SE-35%, MSB-50%, KPB-50%, R-ON-35%, R-OFF-25%

Status #1: FY2008 targets for annual alcoholic beverage licensed establishments compliance checks were met in four of eight regions (50%)

% of Regions Attaining Compliance Check Target

Fiscal Year	Percent Attaining Target
FY 2008	50%
FY 2007	86%
FY 2006	29%
FY 2005	29%

Methodology: % attaining target = number of regions attaining target / total number of regions. Source: ABC Board.

Analysis of results and challenges: During FY2008, the compliance check program met or exceeded four of eight regional targets. The number of compliance checks depends on adequate funding for staff and travel to pay for an aggressive enforcement effort.

Regions:

MOA - Municipality of Anchorage

FNSB - Fairbanks North Star Borough and the cities within the borough

CBJ - City and Borough of Juneau

SE - Southeast Alaska, except Juneau

MSB - Matanuska-Susitna Borough and the cities within the borough

KPB - Kenai Peninsula Borough and the cities within the borough

R-ON - Rural communities on the road system

R-OFF - Rural communities off the road system

Methodology changed in FY2008. In prior years, MSB and KPB were reported as combined data. In FY2008, they are separated, resulting in eight regions rather than seven.

For a detailed display of prior year compliance check data, please click on the Statewide Compliance Check Data link under Resources on the ABC Board homepage: <http://www.dps.state.ak.us/ABC/>.

Key Component Challenges

Investigator staffing remains at levels below that which existed prior to the construction of the Trans-Alaska Pipeline. Inadequate staffing prevents proactive enforcement and increases the danger to the public attributable to underage drinking and alcohol-related accidents and deaths.

New licenses for "outdoor recreation lodges" resulting from legislation passed in 2005 are presenting new challenges for the board. Many of these lodges are located in rural parts of the state and board staff are balancing concerns from nearby communities, many of which restrict alcohol possession by local option, with the right of lodge owners to acquire and operate lodge licenses that allow service only to their guests and off-duty staff.

Newly enacted legislation allowing the courts to mandate alcohol related offenders obtain "Alcohol Restricted" labeled driver's licenses or identification cards remains difficult for licensees and servers to enforce when subjects are

obviously over the age of 21, and providing identification for proof of age is not required.

Significant Changes in Results to be Delivered in FY2010

The ABC Board should be able to provide more access to information regarding liquor licenses on its web site. This will provide the public, local governments, and law enforcement agencies much more useful information regarding the sale of alcohol in Alaska by listing liquor licensees and providing more information about persons engaged in the sale of alcohol.

Enforcement of underage drinking laws will continue as a priority as long as staffing of the program remains stable. It is hoped that increased enforcement will encourage those selling alcohol to take more care to ensure underage persons are not served. This will result in a drop in the failure rate.

The ABC Board, with installation of an improved database, will be able to do a better job of keeping track of liquor licensee activity, changes in ownership and location of licenses, tracking receipt of money and reconciling funds received, and providing useful information regarding liquor licenses.

Major Component Accomplishments in 2008

- Implementation of the written order database went into effect. Package store licensees engaged in bush orders were provided initial training on the computer software and began entering order information into the system with relative ease.
- The ABC Board began accepting credit card payments for licenses and permits in June of 2008. The ability to take credit card payments over the phone has expedited the permit issuance process tremendously.
- ABC investigators were granted limited peace officer commissions, enabling ABC enforcement personnel to issue citations, execute search warrants, and file criminal complaints. This ability has increased the ABC Board's capability to adequately enforce Title 04 both criminally and civilly.
- Resolved 100 percent of civil accusations and local government protests of licenses by imposing ABC Board sanctions.
- Of the 2,411 licensed establishments within the state, ABC Investigators conducted 421 licensed premise inspections.
- Successfully administered the Enforcing Underage Drinking Laws Program grant conducting compliance checks of 595 alcohol-licensed establishments throughout the state and in addition, contacted 444 "unknowns" outside of liquor stores as a result of the "Shoulder Tap" program. During the report period, 45 individuals (10 percent) purchased alcohol for the ABC minor agent.
- Compliance failure rates have declined significantly since the inception of the underage enforcement program, which initially had a compliance failure rate in the mid-30 percent range. In the past two years, though, the failure rate has been at 17 percent.

Statutory and Regulatory Authority

AS 04
13 AAC 104

Contact Information
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Alcoholic Beverage Control Board Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	817.8	929.7	1,013.1
72000 Travel	80.9	35.9	35.9
73000 Services	474.5	462.4	400.1
74000 Commodities	41.7	4.6	4.6
75000 Capital Outlay	0.0	16.3	16.3
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,414.9	1,448.9	1,470.0
Funding Sources:			
1004 General Fund Receipts	0.0	2.3	0.0
1005 General Fund/Program Receipts	1,314.9	1,289.1	1,312.5
1007 Inter-Agency Receipts	100.0	157.5	157.5
Funding Totals	1,414.9	1,448.9	1,470.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	609.2	0.0	0.0
Unrestricted Total		609.2	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	100.0	157.5	157.5
General Fund Program Receipts	51060	1,314.9	1,289.1	1,312.5
Restricted Total		1,414.9	1,446.6	1,470.0
Total Estimated Revenues		2,024.1	1,446.6	1,470.0

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	1,291.4	0.0	157.5	1,448.9
Adjustments which will continue current level of service:				
-Delete One-time FY2009 Fuel/Utility Cost Increase Funding Distribution from the Office of the Governor	-2.3	0.0	0.0	-2.3
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	23.4	0.0	0.0	23.4
FY2010 Governor	1,312.5	0.0	157.5	1,470.0

**Alcoholic Beverage Control Board
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	10	11	Annual Salaries	657,917
Part-time	0	0	COLA	26,928
Nonpermanent	1	0	Premium Pay	0
			Annual Benefits	363,823
			<i>Less 3.39% Vacancy Factor</i>	(35,568)
			Lump Sum Premium Pay	0
Totals	11	11	Total Personal Services	1,013,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant I	1	0	0	0	1
Administrative Clerk III	1	0	0	0	1
Business Reg Examiner	2	0	0	0	2
Division Director	1	0	0	0	1
Investigator III	1	1	1	0	3
Investigator IV	2	0	0	0	2
Records & Licensing Spvr	1	0	0	0	1
Totals	9	1	1	0	11